

Manufacturing Innovation Fund Advisory Board

November Meeting Minutes

Department of Economic and Community Development

November 16, 2017

9:00 AM – 10:30 AM

450 Columbus Boulevard, Conference Room A Fourth Floor
Hartford, Connecticut

Attendance

- Board Members Present: John Harrity, Don Balducci, Chris DiPentima, Kelli Vallieres, Todd Pihl, and Catherine Smith, John Zoldy, Colin Cooper, Emir Redzic
- Quorum: Yes
- Absent:, Shane Eddy
- Stakeholders Present: Eric Brown, Paul Striebel
- Stakeholders via phone: Bernice Zampano
- DECD Staff: Barbara Fernandez, Carmen Molina-Rios and Toni Karnes

Minutes

Meeting called to order by Chair Commissioner Catherine H. Smith at 9:08 am.

Commissioner Smith welcomed the board to the meeting. The Commissioner asked for a motion to accept the October Minutes. John Harrity made the motion and Don Balducci seconded. The motion passed unanimously.

State Budget and MIF Portfolio

Commissioner Smith reviewed the MIF financial portfolio as of October 31, 2017. She noted that the balances included the new authorization as well as the funding authorized for CCAT. After some discussion, she stated that DECD had received an authorization of \$7.5 million at the November 29th Bond Commission meeting. She also stated that the MIF yearly spend was approximately \$12 -\$13 million per year. She stated that CCAT would be providing a more thorough evaluation of their programs at the next meeting.

CCAT

Commissioner Smith reviewed the statutory authorization of funding paid directly to CCAT for FY 14 through FY17 and FY 18/19. She noted that the grand total of authorizations was \$13.5 Million and the funding covered programs such as Advanced Composites, High Rate Additive and the CT Manufacturing Supply Chain. She then reviewed the funding for MIF Board approved CCAT managed programs such as Manufacturers Voucher Program, Dream it Do it and Young Manufacturers noting that total funding for those programs was \$16,922,065. After some discussion, Ms. Dacey requested a breakdown of the administrative costs associated with those programs.

Voucher Program

Paul Striebel provided an overview of the prior three years of funding noting that currently \$14,337,851 had been committed. He provided a program report of total projects approved and an average grant amount given. He stated that there was a lifetime funding cap of \$50,000 per manufacturer so that more could be reached. He then reviewed the reasons for denials. Commissioner Smith asked how many of companies that were declined come back for another funding request. Mr. Striebel stated he did not know but would pull that information together. Mr. Harrity called the program dynamic and very successful. He stated that its success should be communicated to the legislature. Mr. Striebel also reviewed the NAICS classifications of the companies that had received funding. Mr. Cooper stated that he was pleasantly surprised at the diversity of companies being served by the program. After further discussion, Mr. Striebel reviewed the funding distribution by company size and county noting that most were in Hartford, Fairfield and New Haven counties. He also discussed the use of grant funds noting that most of the funds were used for equipment purchases. Subsequent discussion ensued after which Commissioner Smith moved that the Board approve the additional request for \$3.5 Million. Mr. Cooper seconded the motion. Mr. Balducci recused himself. The motion passed.

Strategic Direction & Draper Recommendations with Board Comments

Barbara Fernandez reviewed the Draper recommendations, noting that some of the recommendations were lined up with the Board's priority direction as outlined in the Strategic Planning Session and some were not. Ms. Fernandez noted that the Board and Draper were in agreement on investing in manufacturing awareness and innovation regarding cyber security training for small to medium companies as well as staying ahead of the curve when it comes to production readiness of technologies such as additive manufacturing. She noted that the Board also felt that it needed to be clearer on the subject of market need and sensitive to possible job loss as a result of digitization and automation. After some discussion, Ms. Vallieres suggested that the Board may also want to consider providing assistance to help small businesses diversify into becoming part of the supply chain for the defense industry. Commissioner Smith advised them that the suggestion could be put on the list. After additional discussion, Commissioner Smith advised that at the December meeting the Board could list out ideas to review and choose how they wanted to spend the additional funds. She also advised that at the next meeting she would provide an update on the Pratt project.

Other Business

Ms. Dacey stated that the Board had a fiduciary responsibility regarding the use of state funds. She noted that a lion's share of the MIF funds go to CCAT. She stated that she did not feel the Board had a good handle on CCAT's effectiveness with the programs funded. She suggested a subcommittee be formed to take a "deep dive" into this issue. She noted that the reports should include more data. Subsequent discussion ensued after which Mr. Redzic stated that the MVP presentation was helpful as he was new, he now had a better understanding. Mr. Harrity noted that the CCAT programs were large step up from where the Board has been and he believed that they were in good shape.

After additional discussion, Commissioner Smith asked for a motion to adjourn. John Harrity moved the motion. John Zoldy seconded. The motion passed and the meeting was adjourned at 10:30.

Next Meeting Date December 21, 2017